



October 22, 2012

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: *Ex Parte* Communication: WC Docket Nos. 10-90, 07-135, 06-122, 05-337, 03-109; CC Docket Nos. 01-92, 96-45, 98-171, 97-21; GN Docket No. 09-51; WT Docket No. 10-208

Dear Ms. Dortch:

On October 18, 2012, Genevieve Morelli of the Independent Telephone & Telecommunications Alliance (“ITTA”) and the undersigned met separately with Angela Kronenberg, legal advisor to Commissioner Clyburn, and Priscilla Argeris, legal advisor to Commissioner Rosenworcel, to discuss the Commission’s consideration of a Further Notice of Proposed Rulemaking (“FNPRM”) regarding extension of the CAF Phase I program for an additional year. Melissa Newman of CenturyLink joined us for the meeting with Ms. Kronenberg.

We supported maintaining CAF Phase I for an additional year and urged the Commission to include whatever funds remain from the original \$300 million once pending waiver petitions are resolved with the additional \$300 million for year two of the program. We urged the Commission to allocate additional CAF Phase I funding among carriers utilizing the same criteria as it did the first year of the program, but to allow carriers greater flexibility in using the funds to better enable them to achieve the purpose of the CAF Phase I program. In particular, consistent with the relief requested by CenturyLink, FairPoint, and others, the Commission should permit carriers to use CAF Phase I funding to deploy broadband to any location where 4 Mbps/1 Mbps service is not available, or to locations that the National Broadband Map inaccurately identifies as served by other providers.¹ In addition, carriers should be permitted to use CAF Phase I funds for second mile facilities. Given that such relief furthers the objective of

¹ See CenturyLink Petition for Waiver, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; CC Docket Nos. 01-92, 96-45; GN Docket No. 09-51, WT Docket No. 10-208 (filed June 26, 2012); FairPoint Communications, Inc. Petition for Waiver of Sections 54.312(b)(2) and (3) of the Commission’s Rules and Conditional Election of Incremental CAF Support, WC Docket Nos. 10-90, 05-337 (filed Sept. 10, 2012); Windstream Election and Petition for Waiver, WC Docket Nos. 10-90, 05-337 (filed July 24, 2012).

CAF Phase I to “expand voice and broadband availability as much and as quickly as possible” to rural consumers that lack access to such service today, it is essential for the Commission to allow CAF Phase I funding to be used for such purposes during the second year of the program.²

In our meeting with Ms. Kronenberg, we briefly discussed our concerns with the current 12-month deadline for amendments to FCC Form 499 when it is necessary for carriers to restate their revenues to report decreased Universal Service Fund (“USF”) contribution obligations. As ITTA previously explained, a 12-month period for amendments that would decrease USF contribution liability is too short.³ Among other things, government agencies (*e.g.*, state PUCs, taxing authorities) and auditors may make decisions that require restatements beyond one year, making it impossible to report decreased contribution liability within 12 months of the due date of the original filing.

In addition, we reiterated our position that should the Commission adopt changes to the wholesale/resale certification process for USF contributions as suggested in the *Contributions Reform FNPRM*,⁴ it must give carriers sufficient time to adopt the new system and specific guidance on how to implement it to avoid uncertainty and confusion.⁵

Please do not hesitate to contact me with any questions regarding this submission.

Respectfully submitted,



Micah M. Caldwell
Vice President, Regulatory Affairs

cc: Angela Kronenberg
Priscilla Argeris

² *In the Matter of Connect America Fund, et al.*, WC Docket Nos. 10-90, *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, ¶ 145 (rel. Nov. 18, 2011) (“*USF/ICC Reform Order*”).

³ See, *e.g.*, Reply Comments of the Independent Telephone & Telecommunications Alliance, WC Docket No. 06-122, *et al.* (filed Aug. 3, 2012), at 7; Letter from Micah M. Caldwell, ITTA, to Marlene H. Dortch, FCC, WC Docket No. 06-122; CC Docket Nos. 96-45, 98-171, 97-21; GN Docket No. 09-51 (filed Aug. 13, 2012) (“ITTA Aug. 13 Letter”), at 3-4.

⁴ *In the Matter of Universal Service Contribution Methodology; A National Broadband Plan for Our Future*, Further Notice of Proposed Rulemaking, WC Docket No. 06-122, GN Docket No. 09-51, ¶ 168 (rel. Apr. 30, 2012).

⁵ See, *e.g.*, ITTA Aug. 13 Letter at 1-2.